

# 2001 ANNUAL REPORT

TO  
THE GOVERNOR  
AND THE  
GENERAL ASSEMBLY



**OFFICE OF HEALTH CARE ACCESS**

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**2001  
ANNUAL REPORT**

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The primary mission of the Office of Health Care Access (OHCA) is to ensure that citizens of Connecticut have access to a quality health care delivery system. At local, state and national levels, the year 2001 was marked by a series of events—all unrelated, yet all significant in reaffirming that change is inevitable, and access to quality health care remains of paramount concern.

Throughout 2001, OHCA remained committed in its efforts to advise Executive and Legislative Branch policy makers on important health care issues; to inform the public and the health care industry of trends and issues; and to design and direct health care system development in the state.

On January 16, 2001, OHCA released the results of its first major study of hospitals in Connecticut. The agency prepared *The Health of Connecticut Hospitals* over a 15-month period. This report benchmarks information critical to determining the future of hospitals in our state for the next two to five years. The most important finding of this study is the complex interplay of factors shaping each individual hospital's performance.

Factors named in the report included burgeoning medical technology costs, information technology demands, workforce shortages, heightened competition, evolving commercial payment mechanisms and reliance on government reimbursement, the regulatory environment and consumerism.

The current pace of clinical innovation is more rapid than at any time in history.

The number and cost of drugs used in hospitals has increased, creating new costs for hospitals, whose portion of total health care revenues is declining. The demand by consumers to access the latest medical advances in their treatment adds to competition among hospitals and providers.

Meanwhile, the shortage of qualified clinical professionals continues to grow. Demand is intensifying for qualified nurses across all health care settings, yet the number of nurses entering the profession is declining. Clinical shortages extend to other fields as well, including physicians in select subspecialties and pharmacists. The impact on health systems is compounded by the requirement for higher overall skill levels and ever more specialized technical expertise.



The aging of our population is creating tremendous growth in the demand for health care products and services. As the population ages over the next 20 years, the proportion of persons aged 55-75 will nearly double. Patients admitted to hospitals will generally be older, with more complications; the inpatient average length of stay will begin to climb as patient acuity grows. Meanwhile, the federal Medicare program is struggling to keep pace at today's levels.

The emergence of the Internet as a consumer source of medical information, combined with growing consumer awareness of health care costs is giving rise to a new group of health care consumers. No longer satisfied with the stringent controls of traditional managed care, this new group seeks to choose their provider, select from a variety of treatment options, and be engaged in the management of their own care. Many in this group are willing and able to pay for portions of the treatment. While not every consumer will adopt these changes, this trend is growing and may continue to play a more important role in the health care environment.

As changing technology, demographics and economics continue to shape the environment, hospitals are striving to adapt and transform. Given the myriad issues facing hospitals today, OHCA's 2001 report documented that most hospitals have adapted well, and the quality of Connecticut's inpatient delivery system is high. Nevertheless, throughout 2001 OHCA identified access to affordable care, competition and consolidation, ongoing evolution of the role of hospitals, and policy implications of medical technology as issues that require ongoing attention from state policy makers, industry leaders and state agencies in order to ensure that Connecticut's health system continues to thrive. These four issues were central to OHCA's activities and achievements in 2001.

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## ACCESS TO AFFORDABLE HEALTH CARE

### STATE PLANNING GRANT MAY EXPAND OPTIONS FOR UNINSURED

On March 1, the U.S. Health Resources and Services Administration awarded OHCA with a \$668,110 grant to develop a realistic plan to increase health insurance coverage in Connecticut to 100 percent of its citizens.

The grant project initiated two significant data collection activities: a household survey and a business survey. OHCA contracted with the University of Connecticut's Center for Survey Research and Analysis (CSRA) to field a household survey sampling 4,500 Connecticut households. The CSRA also added insurance coverage questions to an existing quarterly business survey. OHCA expects to have the results of these surveys in early 2002.

OHCA, the Department of Social Services and the Connecticut Business and Industry Association (CBIA) have explored options and possible opportunities to reach working uninsured families through existing CBIA health insurance programs. Current planning efforts are focusing on employer sponsored insurance in order to provide a cost-effective way to keep families together in coverage, use Connecticut's Title XXI funds, reach families who are reluctant to participate in a traditional government program, and help Connecticut businesses attract and retain employees.

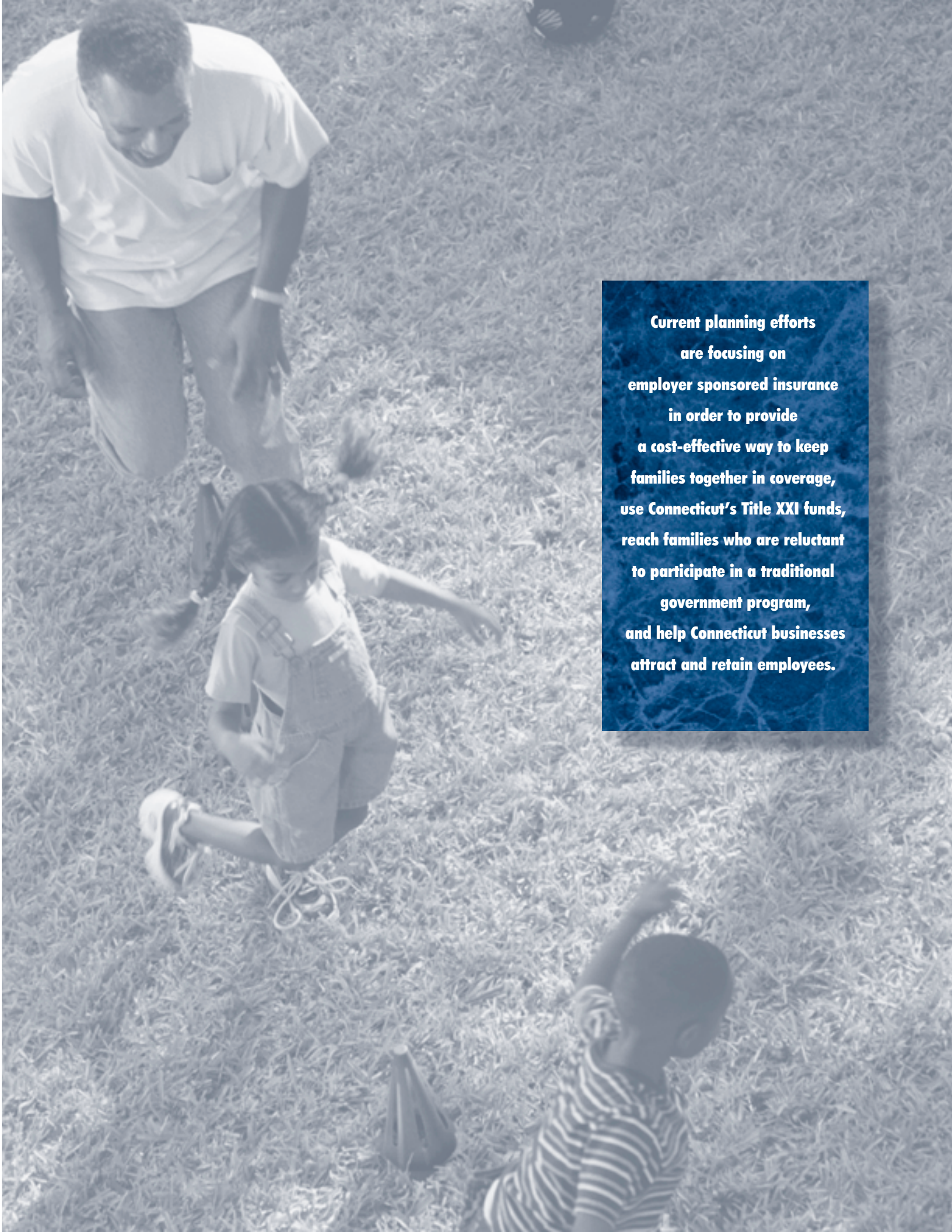
In 2002, OHCA plans to further develop alternative models for the design of a premium assistance/employer-based subsidy option for the HUSKY plan in Connecticut and to frame out recommendations for Federal action to support State efforts to provide health insurance for the uninsured.

### THE ACHIEVE PROJECT


The Office of Health Care Access, through a grant from the Robert Wood Johnson Foundation, is leading the ACHIEVE initiative to identify and pursue opportunities for the State to leverage its purchasing power when procuring health care benefits for State employees and retirees, HUSKY members, and individuals receiving fee-for-service Medicaid benefits.

Early in 2001, the ACHIEVE interagency workgroup agreed to move forward to develop a plan to pursue the joint purchase of dental benefits. In the spring of 2001, OHCA issued a Request for Information (RFI) to determine how many dental plan vendors could potentially meet the combined needs of the Office of the State Comptroller and the Department of Social Services, the agencies responsible for procuring dental benefits for the target



A grayscale photograph of a man and two children playing on a grassy field. The man is kneeling on the left, looking down at a young girl in the center who is also kneeling. A young boy is in the bottom right corner, reaching up. There are some small objects on the grass, like a cone. A blue rectangular box with white text is overlaid on the right side of the image.

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groups. OHCA found that a number of dental administration vendors have the capability to serve the needs of all of the State's covered populations.

A key objective of the joint dental procurement effort is to leverage the attractiveness of the State employee business to improve the level of access and service provided to HUSKY and Medicaid participants without compromising existing benefit programs. Representatives of the Department of Social Services, the Office of the State Comptroller and the Office of Policy and Management have participated throughout the information gathering process, providing OHCA with each agency's program requirements. The group is now moving forward to pursue the joint purchase of dental benefits and OHCA has drafted a Request for Proposal (RFP) for review.

#### **RESULTS MANAGEMENT DATABASE WILL MONITOR COVERAGE TRENDS**

In 2001, ACHIEVE staff also created a Results Management Database that captures membership, claims, and premiums data, and calculates medical loss ratios on medical, prescription, and dental plan claims for current State employee/retiree account vendors. OHCA will use this management information tool to monitor current health care coverage trends and results, and provide agency policy makers with data needed to make key financial decisions related to health care benefits and coverage.

#### **ACCESS EFFORTS EXTENDED TO LOCAL LEVELS**

In working to assure access to health care, OHCA was active in addressing local issues in 2001. Throughout the spring and summer of 2001, OHCA played a pivotal role in bringing The Charlotte Hungerford Hospital and six towns in Northwestern Connecticut to a cooperative resolution and successful agreement for the shared funding of the Winsted Area Paramedic Intercept Program. The process leading to this agreement was initiated



and facilitated by OHCA in an effort to ensure the continuation of this vital emergency service to residents of the towns of Barkhamsted, Colebrook, Hartland, New Hartford, Norfolk and Winchester.

The agency further addressed the local health care needs of the Winsted community in 2001 through its review of the Winsted Health Center. OHCA reopened the Certificate of Need (CON) authorization it had originally issued in July 1997 to The Charlotte Hungerford Hospital, Saint Francis Hospital and Medical Center and Winsted Health Center Foundation, Inc., to establish and operate an ambulatory care and outpatient facility known as the Winsted Health Center. OHCA's decision to reopen the Certificate of Need resulted from local officials' concerns about ongoing financial losses at the Center, particularly relating to the operation of the Emergency Department, and from the fact that the Center was not offering all of the services authorized under its 1997 Certificate of Need.

During the spring, OHCA gathered and analyzed information from its own financial and utilization databases regarding the health care delivery system in Northwestern Connecticut. In May, the agency hosted a community meeting in Winsted to present the information gathered and to begin a public dialogue concerning health care needs in Winsted and the surrounding area. OHCA officially reopened the Certificate of Need in October. A public hearing was held in Winsted and all parties and interested persons were allowed to present their views on issues related to the services at the Health Center.

Throughout the CON review, the information received from health care professionals, hospital officials and members of the community about the need for emergency care and urgent care services were overwhelmingly in support of continued emergency services at the Center. OHCA determined that, despite the relatively low volume of true emergent cases seen at the Winsted Health Center, urgent and emergency care services are necessary to serve the needs of Winsted and its surrounding towns. In its final ruling issued in December 2001, OHCA ruled that The Charlotte Hungerford Hospital must continue to maintain both emergency and urgent care services at the Center.

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## COMPETITION AND CONSOLIDATION

As health care organizations are further compelled to reduce costs and become more competitive, consolidation in the health care industry is expected to rise, nationally and in Connecticut. Consolidation is already common in diverse forms and structures within Connecticut's health care systems; however, to date, all Connecticut hospitals are non-profit. In 2001, OHCA, in concert with the Office of the Attorney General, embarked on a statutorily mandated review of the first proposed sale in Connecticut of a non-profit hospital to a for-profit entity.

Increasing financial pressure and three consecutive years of losses totaling roughly \$9 million led the Board of Directors of Sharon Hospital to search for a buyer for the hospital. On April 25, 2001, the Office of Health Care Access received notice that Sharon Hospital, Inc., West Sharon Corporation and Sharon Hospital, Inc. were applying together with Essent Healthcare, Inc. d/b/a Essent Healthcare of Connecticut, Inc. for permission to convert Sharon Hospital from a not-for-profit hospital to a for-profit hospital. This conversion would be effectuated by means of an asset purchase agreement wherein Essent would pay \$16,390,000 to purchase the hospital and other assets owned by the three Sharon corporations. This arrangement constituted the first time a for-profit hospital would seek to do business in the state of Connecticut.

The hospital, situated in Connecticut's rural Northwest corner, serves mainly western Litchfield County and Dutchess County, New York. The 92-year old hospital has offered both inpatient and outpatient services. In 1999 the hospital staffed 85 of its 94 licensed beds and had 303 full time employment positions.

Average daily census at the hospital in 1999 was 41 patients.

The application for the proposed sale underwent a thorough review by both the State Office of Health Care Access and the Office of the Attorney General. State law governing the sale of non-profit hospitals mandates that both offices approve the agreement before it can become final. Specifically, Connecticut General Statutes Sections 19a-486 et seq. stipulate that any non-profit hospital seeking to transfer a material amount of its assets or change control of operations to a for-profit entity must first receive the approval of both offices.

In order to approve the conversion, OHCA was required to find that the affected community would be assured of continued access to affordable health care, that the purchaser was

committed to providing health care to under/uninsured populations and that safeguard procedures were in place to avoid a conflict of interest in patient referral. In its review, the Office of the Attorney General was required to determine that the sale price is equal to the fair market value of the hospital; that the process leading to the agreement was free from any conflicts of interest; and that the charitable assets of the hospital would be preserved.

OHCA Commissioner Raymond Gorman and Attorney General Richard Blumenthal held a joint public hearing in the Sharon Hospital on June 12, 2001 to give citizens the opportunity to voice their opinions on the details surrounding the proposed sale. In the week following the joint hearing, each agency held several days of technical hearings.

The Office of Health Care Access issued a Final Decision on October 17, 2001, followed by a Decision after Reconsideration on November 14, 2001. The Office of the Attorney General rendered its decision on November 26, 2001, followed by a Decision after Reconsideration on January 10, 2002. Both the Office of Health Care Access and the Office of the Attorney General approved the conversion of Sharon Hospital from a not-for-profit hospital to a for-profit hospital. Each decision imposed conditions on the sale that would serve to protect the public interest, and the viability of Sharon Hospital as an acute care hospital.

As of this writing, the applicants are considering the terms of the proposed conversion; no final resolution of the proposed conversion has been reached.



## EVOLUTION OF THE HOSPITAL IN TODAY'S HEALTH CARE INDUSTRY

In its 2001 report, *The Health of Connecticut Hospitals*, OHCA stressed the need for hospitals to actively engage in evolving and adapting to today's changing health care needs. The report also articulated specific challenges in meeting the needs of Connecticut's mental health consumers, including a lack of coordination within the behavioral health system of care.

In 2001, OHCA collaborated with the Office of Policy and Management on the review and selection of innovative proposals under the state's first Hospital Grant Program. This initiative was created by the Connecticut General Assembly during the June 2000 Special Session, with funding appropriated to the Office of Policy & Management to provide assistance to Connecticut's acute care general hospitals. Eleven grants totaling \$1.4 million were issued under this program through November 2001 to Connecticut acute care general hospitals to support hospital initiatives that encourage collaboration, innovation and greater efficiency in the health care delivery system. Of these eleven, six grants were made to hospitals seeking to establish and/or improve behavioral health services in the area they serve.

The following table describes these projects and their progress.

HOSPITAL	GRANT	GOAL	PROGRESS TO DATE
Waterbury Hospital	\$225,000	Plan and develop multi-provider behavioral health network in the Naugatuck Valley region, including Waterbury, St. Mary's and Griffin Hospitals and eight community-based providers.	The project has begun collecting data that identifies the scope and range of behavioral health services provided in the Naugatuck Valley region. This information has resulted in a number of collaborative initiatives that will be developed and explored further. The consortium plans to develop and test collaborative models that are appropriate to the demographics of the service area.
Eastern Connecticut Health Network (ECHN)	\$62,000	Develop network of behavioral health services for children and adolescents in the ECHN service area.	The Hospital collaborated with area providers to build a network of local and regional providers in child and adolescent behavioral health services. This program analyzed existing programs and provided a better understanding of efforts expected at local and regional levels, resulting in improvements to ECHN services and collaboration among area providers.



HOSPITAL	GRANT	GOAL	PROGRESS TO DATE
<b>Yale New Haven Hospital (YNHH)</b>	\$124,000	Enhance coordination and collaboration between behavioral health providers in the Greater New Haven area. Over a two-year period, YNHH will staff three provider workgroups focused on adolescent mental health services, adult mental health services, and adult substance abuse and related dual diagnosis services. The goal is to improve connections within the service system, foster best practices, and improve data for tracking service system activity and issues.	The project has convened discussion groups to strengthen partnerships and address discharge, referral and coordination of care issues shared by the area providers. Specific projects are underway to enhance coordination, partnerships, and the dissemination of information.
<b>New Britain General Hospital</b>	\$76,944	Develop the Children's Behavioral Health Network (CBHN) consisting of the eight major behavioral health providers in the Greater Hartford Region. Together, these agencies offer a full continuum of child behavioral health services, from outpatient services to inpatient hospitalization. The grant will fund the development of a strategic business plan and the first phase of MIS infrastructure connecting the network organizations. The grant funding for this project covers the first year expenses.	Committees have been established and tasks have been assigned to gather data on the existing system and initiate the planning process.
<b>Hartford Hospital (Hartford Hospital Health Corp.)</b>	\$100,000	Develop a common data warehouse, populated and shared by Hartford Health Corporation's behavioral health affiliates.	Assessments of each facility's operations, information and reporting needs and information systems application and infrastructure have been completed. The project is continuing with system design, product selection and testing and implementation.
<b>Johnson Memorial Hospital</b>	\$105,000	Develop a comprehensive needs assessment of child/adolescent behavioral health programs for Connecticut's North Central Region.	The project has begun data collection and analysis of the service area's child and adolescent mental health needs. Next steps include a feasibility study of various program models and the hiring of a board-certified Child and Adolescent Psychiatrist for the area.
<b>Middlesex Hospital</b>	\$180,000	Develop a plan to assure access to adequate primary care services for all residents of Middletown and surrounding communities.	The Hospital has analyzed primary physician supply and need, completed a household telephone survey, and instituted an eligibility-screening program in the emergency department. In 2002 the Hospital will complete a physician office survey and continue data analysis to evaluate utilization patterns and access issues.
<b>MidState Medical Center (MSMC)</b>	\$130,000	Study the feasibility of decreasing demand for inpatient services.	The Hospital identified and examined frequent admission patterns, hired a community-based coordinator, conducted physician focus groups, and expanded disease management and wellness programs. The Hospital will continue to closely monitor inpatient trends in utilization and implement services where necessary.
<b>Day Kimball Hospital</b>	\$250,000	Establish a dental delivery system that will provide 3,400 oral-health visits per year to school aged children that would otherwise be unable to obtain appropriate oral health care in Northeast Connecticut.	The van is scheduled to begin operating in early 2002.
<b>Charlotte Hungerford Hospital</b>	\$100,000	Continue paramedic intercept services in the greater Winsted area and develop a plan, with local community input, for the continued delivery of this service.	The Hospital and community leaders successfully collaborated and signed a four-year agreement for the continuation of the services.
	\$40,000	Continue support of the Hospital's Community Health Clinic, strategic planning initiatives and business transition.	The Hospital has worked cohesively with local and state agencies to build a sustainable, structured model to deliver care to the region's indigent population.

## POLICY TIONS

### **OHCA BEGINS CARDIAC DATA COLLECTION, ANALYSIS**

OHCA convened the Cardiac Needs Assessment Work Group in 1999 to review statewide data collected on cardiovascular services. The data was published that year as OHCA's *Cardiovascular Demand Needs Analysis* report. OHCA continues to use findings from this analysis during Certificate of Need processes related to the development of new cardiovascular services in the state.

Upon completion of its analysis, the Work Group recommended that OHCA conduct periodic statewide cardiac needs assessments, and offered its support to OHCA in responding to this recommendation.

In 2001, at the recommendation of the Group, OHCA requested updated outpatient cardiovascular utilization data from each hospital in 2001, and also obtained out-of-state data from Massachusetts, Rhode Island and New York to determine the utilization of cardiac services by Connecticut residents in these states. In addition, OHCA is utilizing its own database to determine inpatient hospital utilization of cardiac services. Once this information is synthesized, OHCA will reconvene the Work Group to review OHCA's analysis of current cardiac data. The Work Group will be asked to submit any comments on the analysis before a final draft of OHCA's Cardiac Needs Assessment is published.

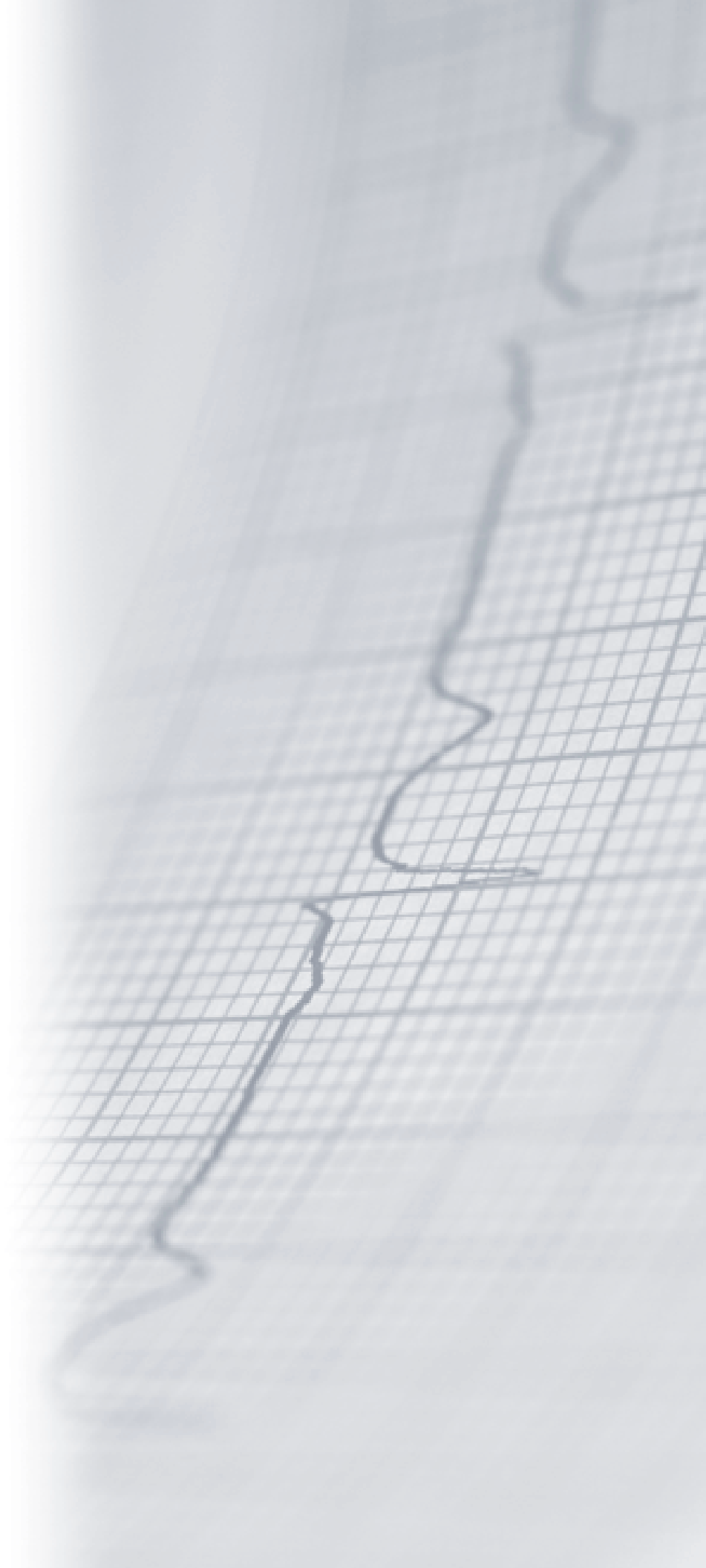
### **CARDIAC CONSORTIUM IS LAUNCHED**

Throughout 2001, OHCA facilitated the efforts of the Connecticut Cardiovascular Consortium (C3), a new, unique statewide collaboration whose goal is to advance clinical outcomes in patients with heart disease. The overarching goal of C3 is to utilize this infrastructure and collaborative framework to obtain high quality, useful process and outcomes data on Connecticut residents with cardiovascular disease. This information would subsequently be available to OHCA and other policy makers in determining the scope of need for additional cardiac care services in the state.

At the group's inaugural organizational meeting in April, 2001, attendees set out to establish a multidisciplinary Steering Committee of cardiologists who broadly represent Connecticut

hospitals whose cardiologic services range from tertiary/specialized care with open-heart surgery and angioplasty, to centers with diagnostic cardiac catheterization only, to community hospitals that offer these services. This group of 17 individuals will meet voluntarily during the remainder of 2001, and will work to make very positive steps toward establishing an organizational infrastructure that would support a statewide study to assess clinical outcomes in patients with acute myocardial infarction.

It is the aim of the Steering Committee and the Connecticut Department of Health Care Access that all Connecticut general hospitals will ultimately participate in this observational study. With full participation, this important research will yield information that will help Connecticut move forward in crafting a new cardiovascular health care delivery system.





## HER

In 2001, OHCA released three reports, including *The Health of Connecticut Hospitals*, the *Annual Report to the Governor and General Assembly*, and the *Second Annual Report on Graduate Medical Education in Connecticut*. The agency also produced and widely distributed a four-part series of Issue Briefs on utilization and financial trends of Connecticut's acute care hospitals. ACHIEVE produced an Issue Brief that examined estimates of Connecticut's uninsured using different methods and Issue Briefs on preventable hospitalizations and patient safety. These publications continue to be used to educate stakeholders, agency heads, executive staff and legislators on current health policy issues and trends.

In December, OHCA completed a six-month process to upgrade its agency website to improve its utility and to bring it into full compliance with new State Agency website standards. The new site also features intuitive navigation, current events, and convenient access to forms. The *Health Systems Information* section offers comparative hospital utilization and financial data; full copies of CON decisions are available in the *Certificate of Need* area. A *Frequently Asked Questions* section quickly answers most routine queries; the *Publications Library* permits fast publication downloads. The enhanced OHCA website offers more information to a broad spectrum of users in a format that is convenient and effective.

The agency conducted approximately 80 Certificate of Need reviews and 100 Certificate of Need determinations. OHCA staff also conducted more than 30 Certificate of Need compliance reviews and/or modifications of existing Certificates of Need. Additionally, OHCA staff reviewed, analyzed and audited more than 200 hospital financial filings in 2001. Nearly 300 hospital discount agreements were received and reviewed. The agency responded to well over 300 requests for information from the media, legislators and consumers, and performed thirty or more special analyses of data to meet the requests of specific individuals, agencies and organizations.



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# THE HEALTH OF CONNECTICUT'S HOSPITALS



A report prepared by the Office of Health Care Access

## ACHIEVEMENT OF AGENCY 2001 OBJECTIVES

At the close of 2000, the Office of Health Care Access was just completing its comprehensive report on the health of hospitals in Connecticut. This report brought to light numerous policy and procedural areas that would benefit from further attention from OHCA, other state policy makers, and the industry itself. In crafting its objectives for 2001, Commissioner Raymond J. Gorman and the leadership and staff of OHCA appropriately opted to name several of these initiatives as objectives for the agency in 2001. Not all of these objectives were completely achieved in 2001; several will require additional effort in 2002.

One of OHCA's primary strengths is its ability to adapt and respond quickly and effectively to changing conditions. In late 2000, OHCA expected that in 2001, it would engage in the first-ever implementation of Public Act 19a-486 involving the proposed sale of non-profit Sharon Hospital to Essent Healthcare, Inc., a for-profit company from Nashville, Tennessee. Accordingly, OHCA organized its priorities, activities and resource allocations to accommodate this long-term project. However, the implementation of this process turned out to require more time, effort and attention than had ever been anticipated. Nevertheless, OHCA marshaled its resources throughout 2001 to effectively and appropriately address every new issue in the proceedings as it occurred. At this writing, while both OHCA and the Office of the Attorney General have rendered their final rulings on the proposed sale, the transaction has yet to be formally accepted by the parties.

Several of OHCA's 2001 objectives were dependent upon the analysis of data. While numerous statutes empower the agency to collect a broad spectrum of relevant health care information from hospitals and other providers, other, outmoded statutes require OHCA to gather and warehouse outdated data elements. In 2001, the agency sought legislative relief on several of the outmoded statutes in order to redirect time and resources on more timely data-related objectives. Unfortunately, the agency was unsuccessful in obtaining the Legislature's attention and support for these proposals during the 2001 Session of the Connecticut General Assembly. Accordingly, OHCA was unable to move forward on several of its objectives concerning data benchmarking and analysis. The agency intends to again propose repeal of several outmoded statutes during the 2002 Legislative Session, and will hopefully meet with success.



## OHCA 2001 OBJECTIVES AND ACCOMPLISHMENTS

***Concentrate on establishing demand, supply, and utilization benchmarks for specific service areas affected by emerging technologies. Certificate of Need standards and processes will be adjusted and refined to establish these and other necessary standards.***

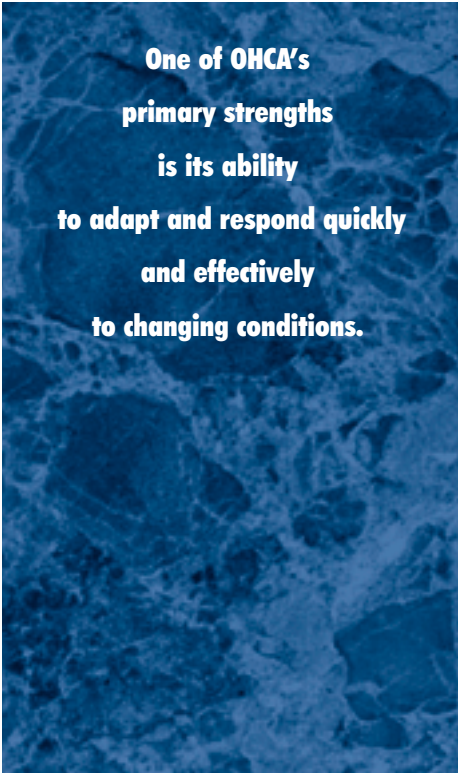
OHCA made progress on this objective through the yearlong efforts of the Cardiac Workgroup, and the subsequent creation of the C3 Cardiovascular Care Consortium, as discussed earlier in this report.

***Evaluate and analyze additional data elements in measuring performance and access issues within the state's health care delivery system, including ambulatory care statistics and public health indicators. Conduct ongoing reviews of the data it collects and where appropriate, sunset data not utilized by OHCA.***

This objective was adversely affected by OHCA's inability to get certain outmoded statutes repealed. The ongoing, mandated collection and review of archaic data elements all but prohibited the agency from moving forward on any new collection and analysis. However, OHCA's award of \$660,000 from the federal Health Resources and Services Administration provided support to the agency resulting in the development of a Results Management Database that captures membership, claims, premiums, and calculates the medical loss ratio on medical, prescription, and dental plan claims experience by product type for current State employee/retiree account vendors. HRSA funds also allowed OHCA to field a household survey to assess current levels of uninsured in the state. Results of this survey are expected in early 2002. In addition, in the fall of 2001, OHCA announced that it would convene a work group to develop regulations to update the agency's inpatient utilization collection process, and to establish collection procedures for outpatient discharge data. Members of the work group include representatives of hospitals and other health-related entities. The group is scheduled to meet regularly, beginning in January of 2002.

***Establish criteria and benchmarks to be utilized to monitor financial performance within the state's health care delivery system and begin to identify those entities in serious financial distress that may require some form of state intervention and/or regional planning. Included would be the obligation of a hospital to report when it is in technical default of loan covenants.***

Progress on this objective was also impeded by OHCA's inability to get certain outmoded statutes repealed. The ongoing, mandated collection and review of archaic data elements all but prohibited the agency from moving forward on any new collection and analysis.



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However, OHCA conducted an internal review of its Hospital Budget System requirements in 2001, and in the fall, convened a working group to assist in creating regulations to improve the agency's financial data collection system.

***Study the impact of recent hospital closures to evaluate patient migration patterns and the impact upon the former hospital's service area.***

In 2001, OHCA performed a comprehensive analysis on patient migration patterns and other health system utilization factors as part of its review of the Certificate of Need for the Winsted Health Center, the entity formed to replace the defunct Winsted Hospital. Additional analyses of this type are planned for 2002. While conducting the Winsted review, OHCA discovered that more effective analysis would be possible if the agency had access to a comprehensive inventory of all outpatient facilities in the hospital's area. Such an inventory does not exist. OHCA's current initiative to develop and seek passage of regulations governing the collection and analysis of information from outpatient health care facilities will help to support development of this inventory.

***Submit to the Commission on the Future of Hospital Care in Connecticut a list of initiatives for their consideration that OHCA believes will begin to address numerous health care issues from a statewide policy perspective.***

The Commission to Study the Future of Hospital Care in Connecticut was established in 2000 with the passage of Special Act 00-12. In 2001, OHCA Commissioner Raymond J. Gorman served as an ex-officio member to the Commission, and in January, submitted to the Commission co-chairs numerous proposed recommendations to address statewide health care policy issues, based upon the OHCA's report, *The Health of Connecticut Hospitals*. In addition, Office of Health Care Access staff participated on the following Commission work groups throughout the year: Financial and Organizational Issues; Accessibility of Care; and Work Force Issues. OHCA supported the work of these groups by providing a broad spectrum of data and information and by participating on a monthly basis in the discussions about Connecticut's health care system.

***Further study and analyze the role of hospital affiliates in the performance of health care systems and hospitals.***

Early in 2001, the Commission to Study the Future of Hospital Care in Connecticut began to review this issue as part of its ongoing study of hospitals. Due to budget constraints within the agency, and the fact that the issue of affiliates was being examined by another entity, OHCA did not pursue this objective in 2001.

## OHCA OBJECTIVES FOR 2002

OHCA has established three legislative priorities for the 2002 General Assembly Session that seek to refine the agency's data collection responsibilities, and will actively pursue successful passage of these initiatives. The proposals seek to repeal the requirement that OHCA collect financial data under outmoded hospital net revenue formulas. This mandate requires OHCA to collect, verify and store numerous data elements that are no longer relevant, and are far inferior to the quality financial data that OHCA collects under its hospital budget system. Similar relief is being requested for other outmoded data collection requirements.

However, in order to replace inferior information with data that is useful in assessing the condition of today's health care system, the agency has convened a working group comprised of hospital and health care industry representatives to begin crafting regulations that will update the agency's inpatient utilization collection process, and to establish collection procedures for data from outpatient entities. OHCA has also convened a working group to assist in creating regulations to further improve the agency's financial data collection system.

An inventory of all health care facilities in the state is highly desirable in the analysis of the overall quality and sufficiency of Connecticut's health care system, including the ability to evaluate the impact of closures, mergers and affiliations. While such an inventory does not currently exist, OHCA's objective to develop and seek passage of regulations governing the collection and analysis of information from outpatient health care facilities will help to support development of this inventory.

The success of these initiatives will greatly influence OHCA's success in meeting its objectives for 2002, which consist of the following:

***Begin to collect, evaluate and analyze additional data elements in measuring performance and access issues within the state's health care delivery system, including outpatient utilization and financial data. Where appropriate, sunset data not utilized by OHCA.***

***Monitor the evolution of health care delivery in Connecticut by evaluating patient migration patterns from previously closed hospitals, and assessing the impact upon the former hospital's service area. Further study and analyze the role of hospital affiliates in the performance of health care systems and hospitals.***

***Continue efforts to establish demand, supply and utilization benchmarks for specific service areas affected by emerging technologies.***





**OFFICE OF  
HEALTH CARE  
ACCESS**

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health care system today.*

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